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October 22, 1999

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Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW, Room TWB-204  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: Notice of Oral Ex Parte  
In the Matter of Applications for Transfer of Control to AT&T Corp.  
("AT&T") of Licenses and Authorizations Held by MediaOne Group, Inc.  
("Media One"), CS Docket No. 99-251

Dear Ms. Roman Salas:

On Thursday, October 21, 1999, Tony Werner, Betsy Brady and the undersigned, representing AT&T, met with Commissioner Gloria Tristani and Rick Chessen, the Commissioner's Senior Legal Advisor.

During the meeting, AT&T presented information regarding the status of the cable plant upgrades being completed by AT&T to enable AT&T to provide digital cable services, high-speed Internet access and telephony services over its cable facilities. The information was presented in the form of the attached presentation and five confidential and proprietary deployment maps, which are being submitted separately under seal pursuant to the Protective order entered in this proceeding.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to be "JM" followed by a long horizontal stroke.

Joan Marsh

Attachments

cc: Commissioner Tristani (w/o attachments)  
Rick Chessen (w/o attachments)

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# Update Briefing

Tony Werner  
October 22, 1999



**AT&T Broadband & Internet Services**

# Agenda

- Network Upgrades
  - Status Overview
  - Network Architecture
  - Upgrade phases
  - Performance
- LightWire™ Pilot



**AT&T Broadband & Internet Services**

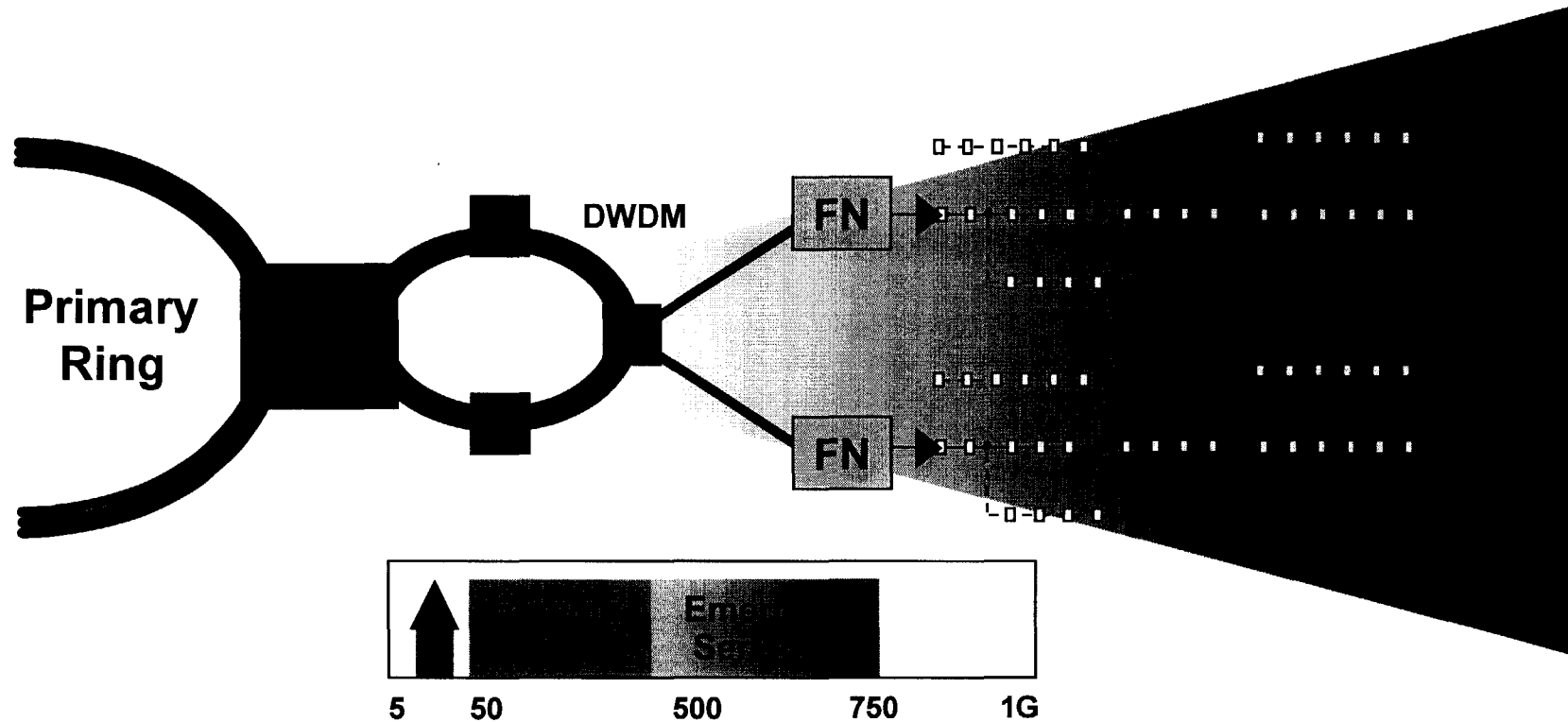
# Upgrade Status Overview

- Primary and secondary rings
  - 75% complete today
  - 100% by mid next year
- HFC and two-way upgrades
  - On budget on schedule
- @Home and telephone
  - On budget on schedule
- Currently upgrading ~500 thousand homes passed per month
- Current capital spending \$100 million per month on upgrades, \$300 million per month in total (e.g., phone, data, new construction, etc.)



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# Modern HFC Network



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# Network Upgrade Elements

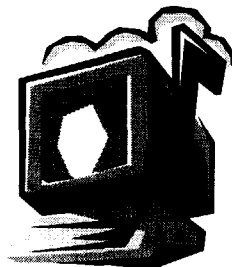
## Base Upgrade

- *Fiber*
- *Bandwidth*
- *Two-Way*



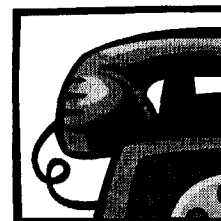
## @Home

- *Certify*
- *Install CMTS*
- *@Home Backbone Connectivity*



## Telephone

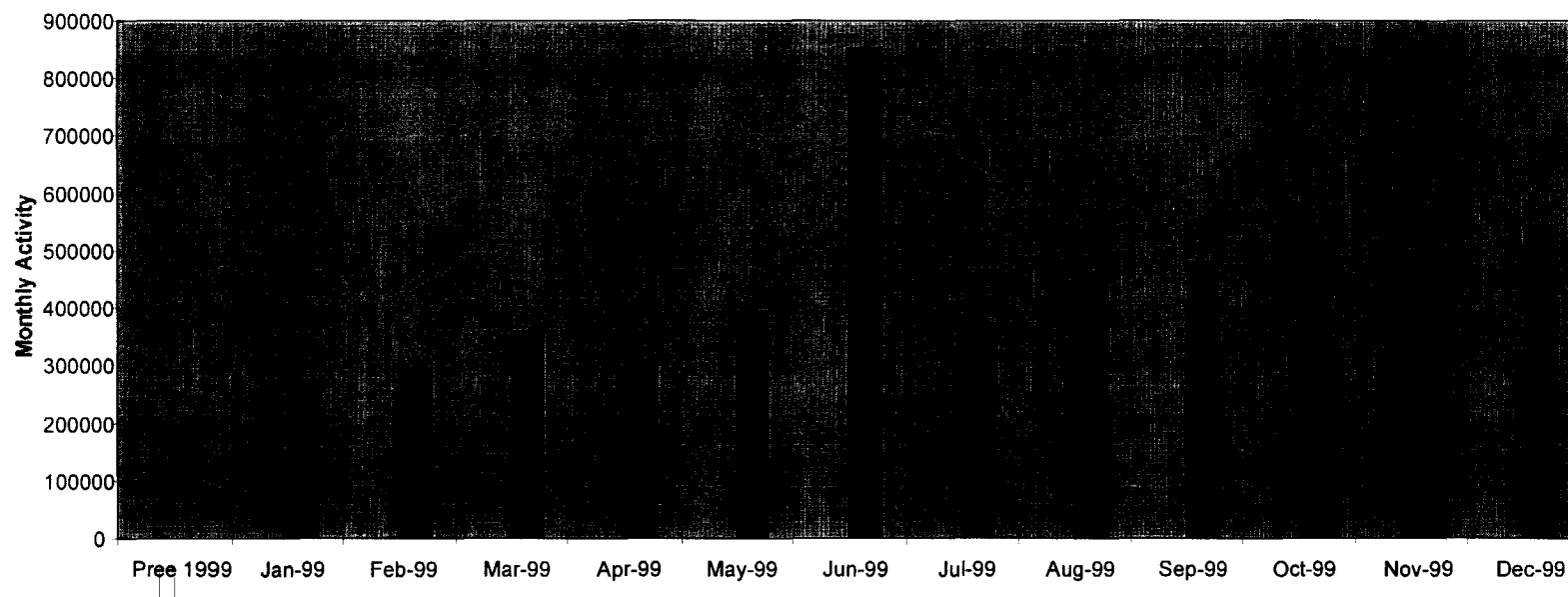
- *Expand Hubs*
- *Status Monitoring*
- *Segment Nodes*
- *Certify*
- *Install HDTs*
- *LD Connectivity*



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# Year to Date Performance

## Monthly Upgraded Homes



*Actual through August*



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# Upgrade Economics

*Over the period of 1998-2000 (billions)*

Base Upgrade	\$2.048
Telephony Upgrade	\$.409
Network Powering	<u>\$.291</u>
	<u><u>\$2.748B</u></u>

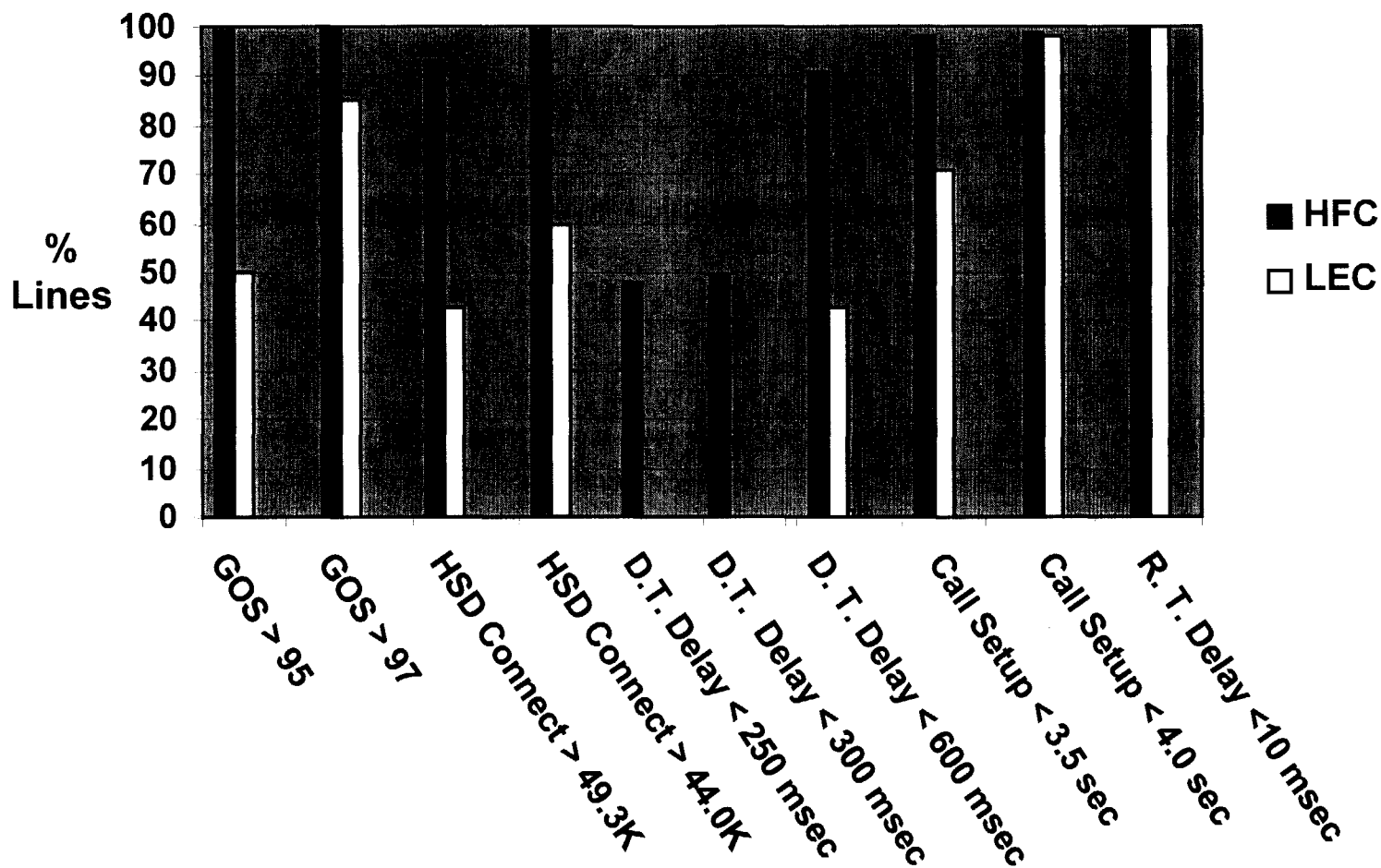


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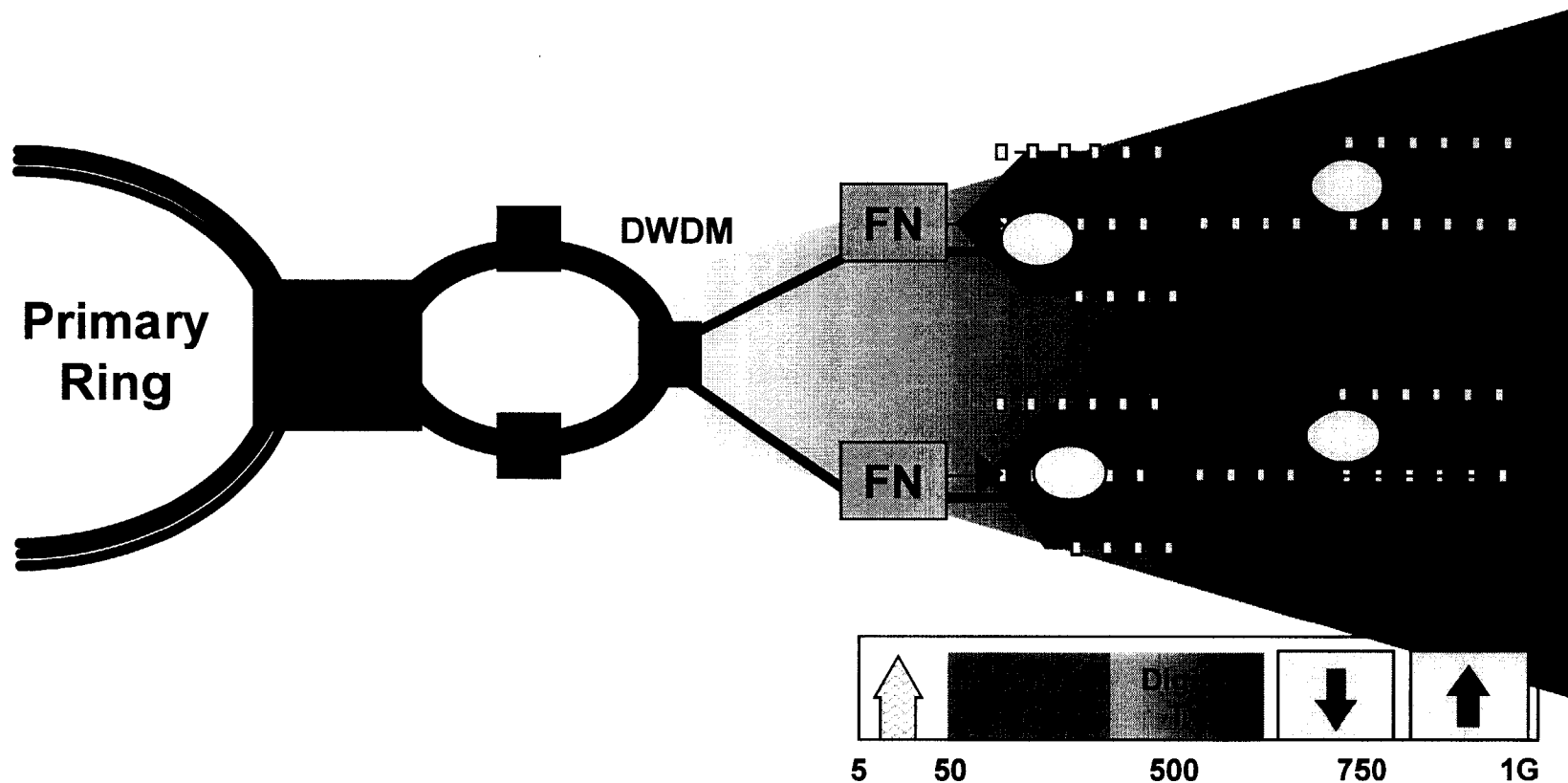
# Local Network Assessment

## HFC Telephony Vs. LEC Benchmark



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# Evolution



- Emerging low-cost lightwave enables 10-100 times bandwidth increase
- Few customers per shared channel → high performance (bandwidth, delay)



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# Advantages

- Operation savings
  - 60 - 80% reduction in active components
  - Reduced power consumption
  - Simplification of maintenance (passive network)
- Improved performance
  - Increased RF bandwidth
  - Improved reliability
- Future proof
  - Flexibility between current track and future opportunities
  - Contingency for “surprising” success in broadband growth
  - Backward compatible with traditional existing architecture and all services currently offered
  - Forward compatible with fiber to the home architecture



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# Salt Lake City

- 100 nodes active
  - 3,000 to 4,000 customers
  - No technical problems
- Capital Cost
  - Still evaluating
  - Appear reasonable in aerial construction
  - Sensitive to underground construction



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